

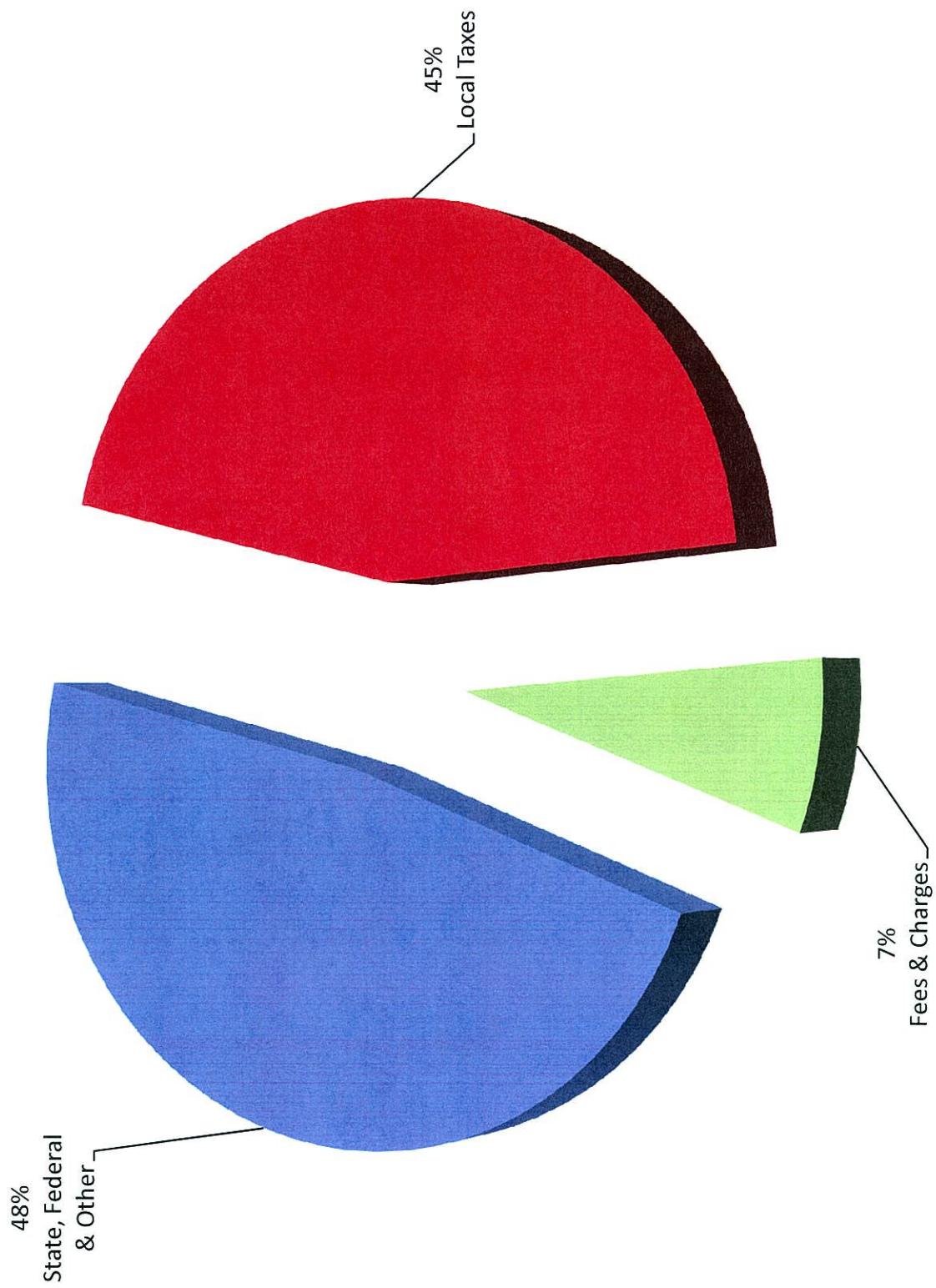
Fund Summaries and Details



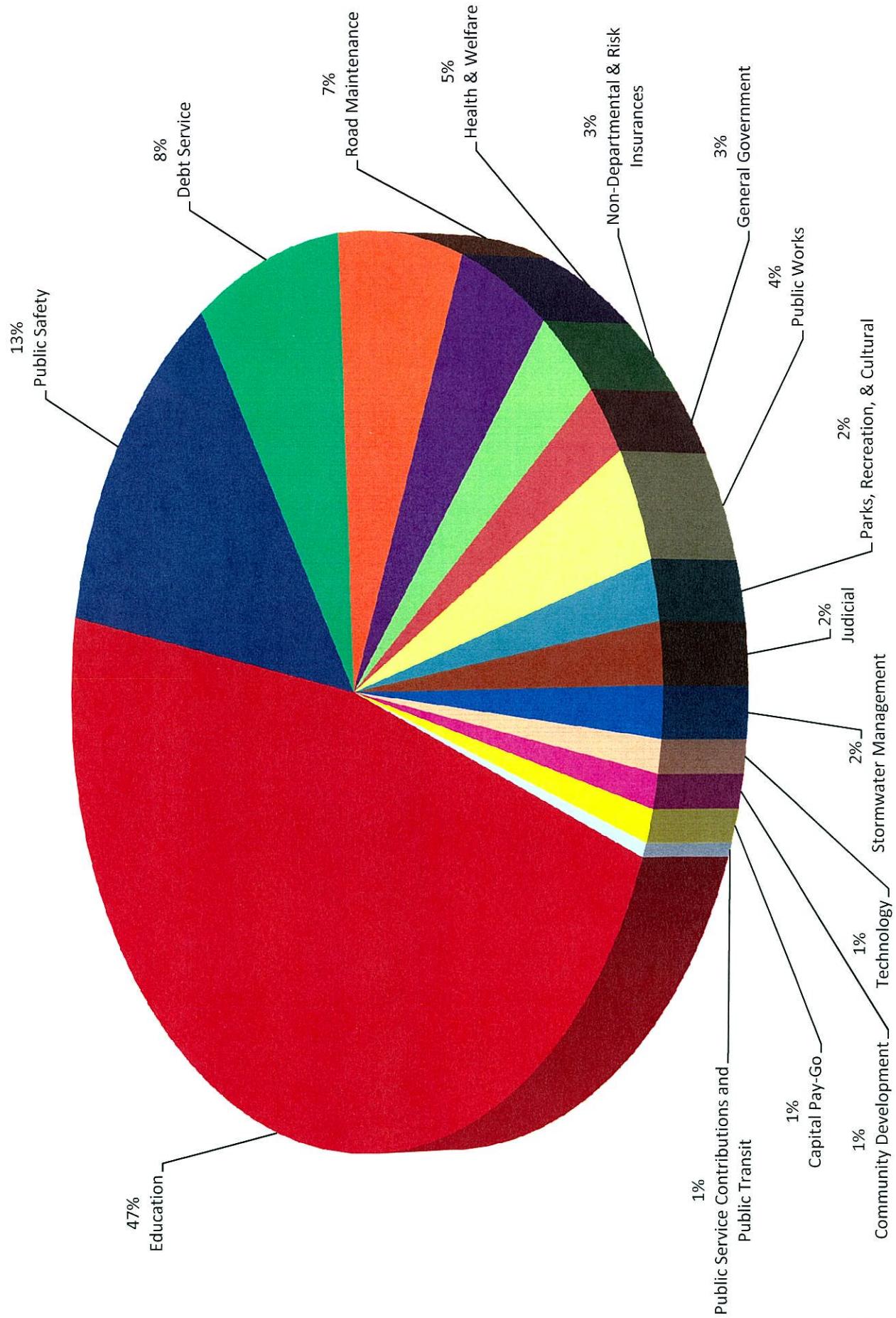
CITY OF SUFFOLK, VIRGINIA
FY 2011-12 OPERATING AND CAPITAL BUDGET

Annual Operating and Capital Budget by Fund						
Fund	Budget 2008-2009	Budget 2009-2010	Budget 2010-2011	Adopted Budget 2011-2012	Prior Yr. % Change	
General Fund	\$ 170,647,514	\$ 164,274,930	\$ 163,451,793	\$ 169,359,094	4%	
Capital Projects Fund	54,049,288	22,127,000	36,426,000	90,409,365	148%	
Debt Service Fund	23,580,946	24,171,189	22,675,495	25,139,326	11%	
Downtown Business Overlay District	201,000	195,000	200,000	200,000	0%	
Route 17 Special Taxing District	1,216,000	1,535,000	1,400,000	1,350,000	-4%	
Grants Fund	400,000	1,493,990	1,447,566	1,400,088	-3%	
Transit System Fund	837,230	0	0	0	-	
Aviation Facilities Fund	0	0	0	1,196,533	-	
Law Library Fund	76,758	79,873	48,139	42,520	-12%	
Road Maintenance Fund	19,007,638	19,144,930	19,130,398	20,012,612	5%	
Fleet Management Fund	11,447,867	11,480,428	11,182,012	12,278,499	10%	
Information Technology Fund	2,777,929	2,737,176	3,749,410	4,352,314	16%	
Risk Management Fund	14,835,226	16,235,742	15,324,246	17,161,168	12%	
Utility Fund	40,129,084	34,847,426	37,285,551	37,400,653	0%	
Stormwater Fund	3,618,240	3,693,240	3,844,101	5,288,671	38%	
Refuse Services Fund	0	0	0	6,940,880	-	
Golf Course Fund	1,709,485	0	0	0	-	
School Fund	154,023,231	150,716,215	143,557,589	140,358,588	-2%	
Total Funds Budget	\$ 498,557,439	\$ 452,732,139	\$ 459,722,300	\$ 532,890,311		

**Revenue Sources for Citywide Services
(Excluding Capital & Utility)**



Expenditures to Support Citywide Services



**City of Suffolk
Adopted FY 11-12' Operating and Capital Budget**

General Fund - Executive Summary

	\$	%	
	General Fund		Change
Current R.E. Tax Rate:	0.91		
Adopted R.E. Tax Rate:	0.97		
Recommended Tax Rate Adjustment:	0.06		
Reassessment Tax Impact to Citizens:	0.03		
Adopted Revenues:	169,359,094		4%
Adopted Expenditures:	169,359,094		4%
Unfunded Gap:	(0)		

PRIMARY BUDGET GOALS:

- 1 Balance Competing Service Demands with Minimal Tax Impact to Citizens
- 2 Protect Financial Compliance Progress and "Best Management Practices"
- 3 Provide for Future Refuse Service Needs
- 4 Maintain Critical Personnel Resources to Serve Citizens
- 5 Provide Safe Public Buildings for the Public and Employees
- 6 Provide Funding to Operate Completed Facility Additions
- 7 Maintain Level Employee Compensation

OTHER IMPORTANT BUDGET ITEMS TO NOTE:

- **Continued Cost Reduction Practices** from Prior Year
- **No Employee Cost of Living Adjustment** Recommended - 4th consecutive year
- **No layoffs, furloughs, pay reductions, or benefit reductions** to existing personnel
- **Transfers Operating Cost** to Separate Funds for:
 - **Airport** from the General Fund to a new Special Revenue Fund under management of Dept. of Economic Development
 - **Citywide Refuse** from the General Fund to a new Enterprise Fund adding Citywide Curbside Recycling
- **Eliminates Public Transit HRT** Service effective 12-31-11 with funding of contract payment requirement.
- **Reduces School Local Funding by \$900,000** to support efficiency recommendations of the Superintendent.
- **Eliminates 20 frozen/vacant positions** held from prior year citywide
- **Fulfills Funding of Critical and Delayed Public Safety Staff** Commitments for:
 - New Kings Fork Public Safety Bldg - Phase II staffing (15 firefighters)
 - New Driver Public Safety - staffing (12 firefighters)
 - Police Critical Positions (1 - Crime Analyst, 1 - Sergeant, 3 - School Resource Officers paid by Schools)
 - Animal Control (1 - Caretaker)
 - City Youth Outreach Initiative (1 - Youth Coordinator)
- **Provides for Annual Debt Service Payments to support Capital Projects** Approved in the Capital Improvements Plan
- **Provides for Financial Policy Compliance** Commitments of:
 - Annual OPEB funding requirement (\$3M citywide)
 - Annual Capital Pay-Go funding requirement (\$3.4M)

FINANCIAL POLICY COMPLIANCE STATUS:

- Undesignated Fund Balance as % of Govtl' Funds - 12% minimum required **13.4% Projected**
- Capital Cash "Pay-Go" - 3% min. of General Fund Expenses by 2012 **3.00% Projected**
- Debt as % of Assessed Value - 4% maximum **1.87% Projected**
- Debt as % of General Govt. Expense - 10% maximum **9.06% Projected**

SUMMARY OF REVENUE CHANGES FROM PRIOR YEAR:	\$	5,907,301	4%
➤ Loss - Real Estate Reassessment Tax Revenue Loss of 2.5%		(2,520,000)	
➤ Gain - Real Estate Tax Reassessment -Neutral Tax Rate Adjustment of \$.03		2,520,000	
➤ Loss - Airport Revenue transferred to Special Revenue Fund		(980,000)	
➤ Loss - Personal Property		(200,000)	
➤ Loss - Permits & Fees		(142,500)	
➤ Gain - Real Estate Tax New Construction Revenue		3,022,378	
➤ Gain - Real Estate Tax Rate Increase of \$.03		2,520,000	
➤ Gain - Other Local Taxes & Fees		1,200,000	
➤ Gain - Mainstream Rate Adjustment to Vehicle License Fees		300,000	
➤ Gain - Reimbursement from School Board - School Resource Officer Program		117,259	
➤ Gain - Miscellaneous		70,164	
SUMMARY OF EXPENDITURE CHANGES FROM PRIOR YEAR:		5,907,301	4%
➤ Risk Insurances (OPEB, Workers Comp, Health, Property, Line of Duty)	\$	2,884,116	
➤ Debt Payments (911 Call Cntr/Municipal Bldg/New Sthern Elem. & loss of PY "one-time" Debt Fund credit)		2,825,414	
➤ Transfer to Capital, Grants, Aviation Funds (Pay-Go Policy)		2,008,447	
➤ Equipment Replacements and Additions (Refuse Enterprise Start-up Costs)		864,366	
➤ Regional Jail Detention Costs		623,648	
➤ Information Technology Software, Support, and Equipment		473,071	
➤ Economic Development Incentive Investments (EDIP)		250,000	
➤ Personnel, Special Compensation, and Benefits (Public Safety Personnel)		203,696	
➤ Health & Welfare		96,234	
➤ Juvenile Detention		95,000	
➤ Books & Subscriptions (Library Resource Inventory)		91,124	
➤ Telecommunications		61,789	
➤ Repairs and Maintenance		31,532	
➤ Postage		14,092	
➤ Contingency		0	
➤ Travel & Training		(365)	
➤ Dues		(2,774)	
➤ Local Organization Contributions		(3,370)	
➤ Marketing		(3,780)	
➤ Copier		(5,145)	
➤ Lease of Buildings		(9,353)	
➤ Uniforms		(10,012)	
➤ Lease of Equipment		(16,819)	
➤ Printing		(16,934)	
➤ Advertising		(28,137)	
➤ Utilities		(56,162)	
➤ Special Programs (Tourism, Parks, Police)		(95,980)	
➤ Office Supplies		(131,455)	
➤ Professional Services (Hosier Road Landfill Maintenance)		(177,805)	
➤ Regional Organization Memberships (elimination of HRT Service)		(292,276)	
➤ Airport Fuel (moved to Aviation Special Revenue Fund)		(650,000)	
➤ Local Contribution to Schools (efficiency promotion)		(900,000)	
➤ Fleet (transfer of refuse service to Refuse Enterprise Fund)		(2,214,861)	
TOTAL INCREASED SERVICE REQUIREMENTS:	\$	5,907,301	

**City of Suffolk
Adopted FY 11-12' Operating and Capital Budget**

Capital Projects Fund - Executive Summary

	<u>Capital Projects</u>	%
	<u>Change</u>	
Adopted Revenues:	\$ 90,409,365	148%
Adopted Expenditures:	<u>\$ 90,409,365</u>	148%
Unfunded Gap:	<u>\$ -</u>	
Increase / (Decrease) from Prior Fiscal Year:	\$ 53,983,365	

Adoption Includes:

- Adoption Includes:**

 - Reduced G.O. Bond issuance per Adopted CIP from \$25.5M to \$23.5M due to deferral of debt financed transportation funds.
 - \$48.150M in Public Utility bond funding for recommended essential projects.
 - Increased General Fund Cash Pay-Go of \$2M to achieve 5 year Financial Policy Requirement
 - Leveraged State/Federal grant funds to support Aviation projects
 - Leveraged Federal QSCB Bond Award of \$7.5M in support of constructing a joint Southern Elementary School

FINANCIAL POLICY COMPLIANCE STATUS:

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Aviation Facilities - Executive Summary

	Aviation	% Change
Adopted Revenues:	\$ 1,196,533	-
Adopted Expenditures:	<u>\$ 1,196,533</u>	-
Unfunded Gap:	<u><u>\$ -</u></u>	
 Increase / (Decrease) from Prior Fiscal Year:	 \$ 129,031	

Adoption Includes:

- Transfer of Airport Operations from the General Fund to a new Special Revenue Fund under the management of the Department of Economic Development.
- Transfer of Operating Support from the General Fund of \$106,690

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Downtown Business Overlay Tax District - Executive Summary

	\$	DBOD	%
Current Tax Rate:	\$ 0.125		
Adopted Tax Rate:	\$ 0.125		
Reassessment Tax Rate Impact:	\$ -		
 Adopted Revenues:		\$ 200,000	0 %
 Adopted Expenditures:		<u>\$ 200,000</u>	0 %
 Unfunded Gap:		<u><u>\$ -</u></u>	

Increase / (Decrease) from Prior Fiscal Year: \$ -

Adoption Includes:

- Funding for beautification enhancements to the downtown district, street sweeping and refuse services.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Law Library Fund - Executive Summary

	<u>Law Library</u>	%
Adopted Revenues:	\$ 42,520	-12%
Adopted Expenditures:	<u>\$ 42,520</u>	-12%
Unfunded Gap:	<u>\$ -</u>	
Increase / (Decrease) from Prior Fiscal Year:	\$ (5,619)	

Notable Changes:

- Reduced expenditures to accommodate reductions to annual fee revenue.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

RT. 17 Tax District Fund - Executive Summary

	\$	RT. 17 Tax District	%
			Change
Current Tax Rate:	\$ 0.26		
Adopted Tax Rate:	\$ 0.26		
Reassessment Tax Rate Impact:	\$ (0.05)		
 Adopted Revenues:	 \$	 1,350,000	 -4 %
 Adopted Expenditures:	 \$	 1,350,000	 -4 %
 Unfunded Gap:	 \$	 -	 =
 Increase / (Decrease) from Prior Fiscal Year:	 \$	 (50,000)	

Adoption Includes:

- Transfer of debt service for payment of previously financed transportation improvements in the taxing district.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Road Maintenance Fund - Executive Summary

	<u>Road Maintenance</u>	%
Adopted Revenues:	\$ 20,012,612	5%
Adopted Expenditures:	<u>\$ 20,012,612</u>	5%
Unfunded Gap:	<u>\$ 0</u>	
Increase / (Decrease) from Prior Fiscal Year:	\$ 882,214	

Adoption Includes:

- State Road Maintenance revenue based on 1500 City lane miles.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Debt Fund - Executive Summary

	<u>Debt</u>	%
	<u>Debt</u>	Change
Adopted Revenues:	\$ 25,139,326	11%
Adopted Expenditures:	<u>\$ 25,139,326</u>	<u>11%</u>
Unfunded Gap:	<u><u>\$ 0</u></u>	

Increase / (Decrease) from Prior Fiscal Year: \$ 2,463,831

Adoption Includes:

- Current annual debt service for General Government and Rt. 17 Taxing District Projects.
- Provides for Annual Debt Service Payments to support Capital Projects in the Capital Improvements Plan
- Elimination of the "one-time" credit provided to the General Fund of approximately \$400,000 in FY 11.

FINANCIAL POLICY COMPLIANCE STATUS:

- | | |
|--|-----------------|
| ➤ Debt as % of Assessed Value - 4% maximum | 1.87% Projected |
| ➤ Debt as % of General Govt. Expense - 10% maximum | 9.06% Projected |

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Public Utilities - Executive Summary

	Public Utilities	%
		Change
Adopted Revenues:	\$ 37,400,653	0%
Adopted Expenditures:	<u>\$ 37,400,653</u>	<u>0%</u>
Unfunded Gap:	<u><u>\$ 0</u></u>	

Increase / (Decrease) from Prior Fiscal Year: \$ 115,102

Adoption Includes:

- Reduced new customer projection of 250 ERU's (Equivalent Residential Units) from the historical average of 1000
- The following rate structure adjustments effective July 1, 2011:

	FY 11'	FY 12'	% Change
Water per 100 cubic feet	\$ 5.84	\$ 6.43	10.1%
Sewer per 100 cubic feet	\$ 4.50	\$ 4.91	9.1%
Water Availability Charge - Single Family	\$ 5,520	\$ 5,520	0%
Sewer Availability Charge - Single Family	\$ 6,000	\$ 6,000	0%

FINANCIAL POLICY COMPLIANCE STATUS:

➤ Utility Fund Financial Independence of the General Fund	Yes
➤ Unrestricted Cash and Long Term Investments Balance at 25% of operations (FY 12 rate model predicts compliance by June 30, 2013.)	13.8%
➤ Bond amortization not to exceed useful life of projects financed	Yes
➤ Debt Service Coverage Ratio of 1.30 or greater	1.30
➤ Asset Replacement and System Extension shall not be 100% debt financed upon completion of the City's new water treatment facility (2015)	On Target

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Stormwater Fund - Executive Summary

	\$	%	Stormwater	Change
Current Monthly Fee per ERU:	\$ 5.24			
Adopted Monthly Fee per ERU:	\$ 5.24			
Adopted Revenues:			\$ 5,288,671	38%
Adopted Expenditures:			<u>\$ 5,288,671</u>	38%
Unfunded Gap:			<u><u>\$ 0</u></u>	
Increase / (Decrease) from Prior Fiscal Year:			\$ 1,444,570	

Adoption Includes:

- Continued provision of stormwater management services citywide to include mosquito control services.
- Draw from the Stormwater Fund Balance of \$1,523,500 in support of one-time Capital Projects to include:
 - Operations Maintenance Facility
 - Sadler Pond Improvements
 - Chenango Court Reconstruction
 - Pughsville Drainage Study

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Refuse Fund - Executive Summary

			Refuse	%
Current Monthly Fee per Household:	\$	-		
Adopted Monthly Fee per Household:	\$	18.50		
Adopted Revenues:			\$ 6,940,880	-
Adopted Expenditures:			\$ 6,940,880	-
Unfunded Gap:			\$ (0)	
Increase / (Decrease) from Prior Fiscal Year:			\$ 6,940,880	

Adoption Includes:

- Transfers Operating Cost of Citywide Refuse from the General Fund to a new Enterprise Fund
- Provides for Citywide Recycling Service at an estimated increase cost of \$1.9 M annually.
- Provides for Citywide residential refuse and recycling pick-up to an estimated 32,000 households with distribution of automated refuse cans.
- Compliance plan for State 25% citywide recycling requirement.
- Provides for Citywide Bulk Refuse collection.
- Provides for Hosier Road Landfill closure requirements and planning for SPSA dissolution.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Grants Fund - Executive Summary

	<u>Grants</u>	%
		Change
Adopted Revenues:	\$ 1,400,088	-3%
Adopted Expenditures:	<u>\$ 1,400,088</u>	<u>-3%</u>
Unfunded Gap:	<u>\$ -</u>	

Increase / (Decrease) from Prior Fiscal Year: \$ (47,478)

Adoption Includes:

- \$350,000 in local cash match funds to leverage state and federal grant opportunities for the City.
- Annual Allocations for CDBG and HOME funds anticipated from the State and Federal Government.
- Transfer of 3 School Resource Officer positions to the General Fund Police Dept. with anticipated billing to the School Division.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Fleet Fund - Executive Summary

	<u>Fleet</u>	% Change
Adopted Revenues:	\$ 12,278,499	10%
Adopted Expenditures:	<u>\$ 12,278,499</u>	10%
Unfunded Gap:	<u><u>\$ 0</u></u>	

Increase / (Decrease) from Prior Fiscal Year: \$ 1,096,487

Adoption Includes:

- Increased cost estimate for fuel of \$3.11 per gallon (govt. secured rate).
- Replacement of fleet equipment exceeding standards for replacement due to cost and safety factors.
- Transfer of Radio support function to the Information Technology Department to include 3 positions.
- Contingency of \$500,000 draw from Fleet Fund Balance for unforeseen increase in fuel prices.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Information Technology Fund - Executive Summary

	<u>Information Technology</u>	%
		Change
Adopted Revenues:	\$ 4,352,314	16%
Adopted Expenditures:	<u>\$ 4,352,314</u>	<u>16%</u>
Unfunded Gap:	<u><u>\$ 0</u></u>	
 Increase / (Decrease) from Prior Fiscal Year:	 \$ 602,904	

Adoption Includes:

- Funding for the replacement of the citywide ERP system; Disaster Recovery system; and Microsoft licensing requirements.
- Focused financial plan to address assessed deficiencies of City technology infrastructure.
- Transfer of 3 Radio positions from the Fleet Fund to the Technology Fund to centralize and streamline the management structure.

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

Risk Fund - Executive Summary

	Risk	%
		Change
Adopted Revenues:	\$ 17,161,168	12%
Adopted Expenditures:	<u>\$ 17,161,168</u>	<u>12%</u>
Unfunded Gap:	<u><u>\$ (0)</u></u>	

Increase / (Decrease) from Prior Fiscal Year: \$ 1,836,923

Adoption Includes:

- \$3 M in continued annual OPEB funding to address required contribution to retiree benefits as required by GASB 45.
- Elimination of the "one-time" premium credit of \$3M drawn from the Risk Fund Balance in FY 11'.
- Continued 80% employer contribution to employee health care premiums.
- Addition of 1 Safety Officer to address OSHA compliance and employee safety training needs.

FINANCIAL POLICY COMPLIANCE STATUS:

- Projected compliance for Risk Stabilization Reserve of 20% of anticipated claims. Yes

City of Suffolk
Adopted FY 11-12' Operating and Capital Budget

School Operating Fund - Executive Summary

	Schools	%
		Change
Adopted Revenues:	\$ 140,358,588	-2%
Adopted Expenditures:	<u>\$ 140,358,588</u>	<u>-2%</u>
Unfunded Gap:	<u>\$ -</u>	
Increase / (Decrease) from Prior Fiscal Year:	\$ (3,199,001)	

Recommendation Includes:

- \$3.2 M decreased budget with \$2.3 M of this decrease in State funds and \$900,000 decrease in Local funds.
- Local Contribution decrease supports the Superintendent's recommended efficiencies identified to promote efficiency of operations with no impact to educational quality, students, or employees.
- No employee layoffs or significant program reductions.